

REMARKS

The present application was filed on June 29, 2001 with claims 1-26. Claims 1, 11, 15 and 25 are the independent claims.

In the outstanding Office Action, the Examiner: (i) objects to the Abstract; (ii) rejects claims 1-9, 11-23, 25 and 26 under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,341,271 to Salvo et al. (hereinafter "Salvo"); and (iii) rejects claims 10 and 24 under 35 U.S.C. §103(a) as being unpatentable over Salvo in view of U.S. Patent No. 5,749,081 to Whiteis (hereinafter "Whiteis").

In this response, Applicants: (i) amend the Abstract; (ii) amend the specification; and (iii) respectfully traverse the various rejections of claims 1-26 for at least the following reasons.

Regarding the objection to the Abstract, Applicants have shortened the same and thus request withdrawal of the objection. Applicants have also amended the first page of the specification to provide updated identifying information for a cross-referenced U.S. application.

Regarding the §102(e) rejection of claims 1-9, 11-23, 25 and 26, it is well established law that "[a] claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." See, e.g., *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987). See also, M.P.E.P. §2131. Applicants assert that Salvo fails to teach or suggest each and every element respectively recited in claims 1-9, 11-23, 25 and 26 and, thus, the §102(e) rejection of claims 1-9, 11-23, 25 and 26 based on Salvo clearly fails to meet the above legal requirements for anticipation. Support for this assertion is as follows.

The invention, for example, as recited in independent claim 1, provides for a computer-based method of automatically controlling an inventory of items comprising the steps of: automatically collecting information relating to a status associated with at least one inventory item; and automatically accessing at least one electronic marketplace in order to determine one or more optimal parameters, based on the collected status information, to be used for replenishing the at least one inventory item via the at least one electronic marketplace. Further, independent claim 11 recites a computer-based method of performing machine-to-machine inventory control comprising the steps of: receiving, in accordance with a first machine, a data signal generated by a sensor system

indicative of a status of an inventory of items being monitored by the sensor system; and procuring, in accordance with a second machine via at least one electronic marketplace, additional such items for an end consumer based on the data signal and depending on one or more optimal market conditions associated with the items. Independent claims 15 and 25 recite limitations similar to either independent claim 1 or claim 11.

As explained in the Summary of the Invention section of the present specification (page 3), the present invention provides techniques for automatically replenishing inventory which exploit the use of electronic marketplaces. As is known with respect to the World Wide Web (or the Internet), "electronic marketplaces" (also referred to as "e-marketplaces") are web sites comprising one or more server systems which allow visitors, via their own computers, to openly offer items for sale, place bids on items, trade items, and permit the use of various pricing mechanisms to discover the true "value" of a certain item based on the equilibrium of supply and demand. Examples of such electronic marketplaces or trading networks that have emerged and are commercially available include WebSphere Commerce Suite Marketplace Edition (trademark of IBM Corporation), Ariba Buyer and Ariba Marketplace (trademarks of Ariba, Inc.), Market Set (trademark of SAPMarkets, Inc.), and ConnectTrade (trademark of Metiom, Inc.). As will be illustratively explained below, the present invention utilizes such electronic marketplaces in order to provide end consumers with automated inventory control.

Thus, as the claimed invention makes clear, not only is the electronic marketplace automatically accessed in order to determine one or more optimal parameters, based on the collected status information, to be used for replenishing the at least one inventory item, but the electronic marketplace is the conduit through which the inventory item is replenished ("replenishing the at least one inventory item via the at least one electronic marketplace" as in claim 1; and "procuring in accordance with a second machine via at least one electronic marketplace" as in claim 11).

While Salvo (at column 6) refers to "inventory price sources," and gives examples such as economic indicators, economic models, commodity pricing indexes, spot market pricing, and Dow Jones<sup>TM</sup> information, it is not through these items, nor the web sites from which such information comes, that Salvo is replenishing the inventory items. That is, Salvo does not disclose the concept of automated inventory replenishment via electronic marketplaces, as in the claimed invention.

For at least the above reasons, Applicants assert that independent claims 1, 11, 15 and 25 are patentable over Salvo. Further, it is asserted that the claims which depend from independent claims 1, 11, 15 and 25 are patentable over Salvo not only due to their respective dependence on independent claims 1, 11, 15 and 25, but also because such claims recite patentable subject matter in their own right.

Regarding the §103(a) rejection of claims 10 and 24, Applicants assert that the combination of Salvo and Whiteis fails to teach or suggest all of the limitations of the claimed invention. That is, since Whiteis fails to remedy the deficiencies of Salvo, as explained above, and since such claims are respectively dependent on independent claims 1 and 15, it is asserted that such claims are patentable over the cited combination. Further, it is asserted that such claims recite patentable subject matter in their own right.

Still further, there is a clear lack of motivation to combine Salvo and Whiteis. Other than a very general and conclusory statement in the Office Action, there is nothing in the two references that reasonably suggests why one would actually combine the teachings of these two references.

The Federal Circuit has stated that when patentability turns on the question of obviousness, the obviousness determination “must be based on objective evidence of record” and that “this precedent has been reinforced in myriad decisions, and cannot be dispensed with.” In re Lee, 277 F.3d 1338, 1343 (Fed. Cir. 2002). Moreover, the Federal Circuit has stated that “conclusory statements” by an examiner fail to adequately address the factual question of motivation, which is material to patentability and cannot be resolved “on subjective belief and unknown authority.” Id. at 1343-1344.

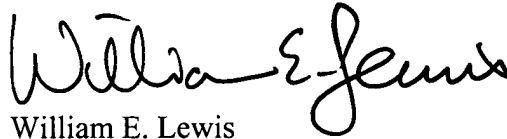
In the present Office Action at page 7, the Examiner provides the following statement to prove motivation to combine Salvo and Whiteis, with emphasis supplied: “[i]t would be obvious . . . to modify Salvo’s method to include the step of automatically generating a recommendation . . . as taught by Whiteis . . . [since, the combination] would allow for a system that does no [sic] require any manual setup of the relationships between the times that are available for recommendations (col. 2, lines 17-20).”

Applicants submit that this statement is based on the type of “subjective belief and unknown authority” that the Federal Circuit has indicated provides insufficient support for an obviousness rejection. More specifically, the Examiner fails to identify any objective evidence of record which

supports the proposed combination. It is completely unclear how the citation of column 2, lines 17-20, of Whiteis provides such objective evidence.

In view of the above, Applicants believe that claims 1-26 are in condition for allowance, and respectfully request withdrawal of all rejections.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William E. Lewis". The signature is fluid and cursive, with the first name "William" being the most prominent part.

Date: January 31, 2006

William E. Lewis  
Attorney for Applicant(s)  
Reg. No. 39,274  
Ryan, Mason & Lewis, LLP  
90 Forest Avenue  
Locust Valley, NY 11560  
(516) 759-2946